



**FY 2008 State Housing Trust Fund (SHTF)
Requirements for Becoming a Local Housing Trust Fund (the Certification Process)
and Minimum Requirements for the Housing Assistance Plan (HAP)**

Note: IFA will make the final determination as to whether the applicant will be certified as a local housing trust fund and whether the plan submitted will be approved as the applicant's Housing Assistance Plan (HAP). IFA will maintain a list of approved local housing trust funds on its website.

Certification Process for Becoming a Local Housing Trust Fund:

A Local Housing Trust Fund (LHTF) applicant must satisfy all of the following requirements to be eligible to be certified as a Local Housing Trust Fund.

- The following must be submitted to IFA as part of the Certification process:
 - Organizational Documents: Such as, Articles of Incorporation, Bylaws, Resolutions, Operating Agreement, Partnership Agreement, IRS 501(c)(3) letter, current listing of all members of the Board of Directors, including name, address, beginning and ending dates of term and whether they are affiliated with local government and in what capacity or if they are public officials.
- The mission statement of the LHTF must state that its primary purpose concerns affordable housing.
- The organizational documents must require regularly scheduled meetings at which minutes of meeting, etc. are kept.
- The LHTF must hold at least one public hearing a year in order to solicit comments from the public as their annual plan/budget, the IFA application to be submitted, the project or projects that will be financed with funds and how such funds should be allocated.
- Meetings must also comply with Open Meetings Law and Open Records Act. Please refer to Iowa Code, Chapters 21 and 22 respectively for more information.
- The LHFT must have a local governing board recognized by the city, county, council of governments, or regional officials as the board responsible for coordinating local housing programs. In addition, the LHTF must be recognized by a Resolution and/or Ordinance from each city or county that it serves.

- The LHTF must demonstrate that it possesses sufficient administrative capacity in regard to housing programs and the experience necessary to successfully plan and execute the proposed activities in a timely manner.
- The LHTF applicant must have the following in place prior to certification by IFA:
 - Local governing board comprised of no more than 50% of individuals from local government/public officials. Local government/public officials who themselves are also employed in the private sector are to be considered as members representing local government (the public sector) and are not to be considered as representing the private sector;
 - HAP approved by IFA;
 - If the LHTF is part of another organization, the Trust Fund Board must be separate and distinct from the organization and make all final funding decisions. Example of a situation not preferred by IFA. The parent organization does not have as its first priority housing; the parent organization also makes funding decisions and rather than allocating the funds to other organizations, the parent organization is a recipient of the majority of the funds. Example of a better arrangement: The LHTF is a complete distinct and separate organization from the parent organization. The Trust Fund Board makes all funding decisions. However, several members of the Trust Fund Board are also employees of the parent organizations.
- The LHTF must be an active, vital organization.
- The LHTF must be community-based and should be the distributor of funds to other organizations.
- The LHTF should have a Board which is community-based, with members from the private sector (e.g., bankers, realtors, etc.)
- The LHTF must be a broad-based committee (separate from a Local Governing Body) which makes funding decisions.
- A county is eligible to apply as a LHTF regardless of the population of the county.
- If a city applies as the LHTF, the geographic area served must be a population of at least 10,000.

Minimum Requirements for the Housing Assistance Plan (HAP)

Housing Assistance Plans (HAPs) submitted to IFA for the 2008 funding round must contain at a minimum a narrative sufficiently addressing the following bullets:

- The HAP should be in the applicant's own words and the document should be no more than ten pages. A listing (bibliography) of the data sources from which the information was gathered should be included in the document;
- The HAP must be comprehensive and identify gaps in housing needs;

- Define the entire geographic area the applicant serves;
- Address the need for the proposed activities;
- Address to which activities priority and/or preference will be given;
- Address the sources, groups and organizations the applicant will be collaborating with in order to fulfill the proposed activities.
- Address the economic, social and health related benefits your city/community can anticipate as a result of the Local Housing Trust Fund and the HAP;
- Applicants must address their program guidelines, which at a minimum include:
 - Types of projects which the fund will invest – for example, rental, new construction, first-time homebuyer
 - Types of investments the fund will make (loans, grants, etc.)
 - Required terms and conditions of the investment, including types of security, regulatory agreements/periods of affordability
 - \$\$ limits per unit or per project
 - Income limits and/or targeting goals
 - Developer/owner eligibility requirements
 - Underwriting requirements
 - Borrower or project match/leverage requirements
- Address the fundraising activities your organization has conducted over the last year;
- Address your efforts to raise additional funds over and above the funds normally received by your housing trust fund. (Note: applicant could address this issue by pointing out the new/additional sources of funding obtained since the prior fiscal year's budget.
- Address the housing needs of the extremely low-income persons it serves and outline the measures it (or other sources, groups or organizations) will take to serve individuals or families with incomes, adjusted by family size, of not more than 30% of the greater of (1) the county or (2) statewide (as applicable) median income limits as published annually by IFA for the SHTF.
- Address the continuum of housing needs which are: (1) homelessness (2) transitional housing (3) rental and (4) homeownership. (Note: information derived from the HUD approved Consolidated Plans may be included in this narrative);
- If applicable, the HAP should address the following issues:
 - the housing needs of inner city neighborhoods;
 - areas with stagnant or declining housing markets, and
 - underserved areas or populations.